

# Public Document Pack

## MINUTES OF THE MAYOR AND CABINET

Wednesday, 11 February 2015 at 6.00 pm

PRESENT: Sir Steve Bullock (Mayor), Alan Smith, Chris Best, Kevin Bonavia, Janet Daby, Joe Dromey, Damien Egan, Paul Maslin, Joan Millbank and Rachel Onikosi.

ALSO PRESENT: Councillor Chris Barnham, Councillor Alan Hall, Councillor Stella Jeffrey, Councillor Jim Mallory, Councillor John Muldoon, Councillor Jacq Paschoud and Councillor Jonathan Slater.

### 131. Declaration of Interests

The Mayor declared a prejudicial interest in Item 9 as his wife is a Director of Downham Nutrition Partnership and he withdrew from the meeting during consideration of that item.

Councillor Kevin Bonavia declared a prejudicial interest in Item 11 as Chair of the Blackheath Joint Working Party and he withdrew from the meeting during consideration of that item.

Councillor Janet Daby declared a personal interest in Item 12 as a Board Member of Phoenix Community Housing.

### 132. Minutes

RESOLVED that the minutes of the meeting held on January 14 2015 be confirmed and signed as a correct record.

### 133. Matters Raised by Scrutiny and other Constitutional Bodies

None additional to those pertaining to the Budget and Revenue Savings reports elsewhere on the agenda.

### 134. Outstanding Scrutiny Matters

RESOLVED that the report be noted.

### 135. LGA Peer Challenge

The Mayor acknowledged the management issues identified in the Peer Review and said he thought the entire process had been of use to the Council. He asked that the report be referred to Overview & Scrutiny and accepted a suggestion from Councillor Millbank that it be shared with partner agencies.

Having considered an officer report, and a presentation by the Chief Executive, the Mayor, for the reasons set out in the report:

RESOLVED that:

- (i) the LGA Peer Challenge report be received;

(ii) the attached areas for action be noted and the suggested action plan at Appendix B be approved;

(iii) the role of the Lewisham Future Board in taking forward actions be noted; and

(iv) the report be referred to Overview & Scrutiny for their observations and Comments.

### **136. Remodelling Day Care Services**

The proposals were presented by the Cabinet Member for Health, Well-Being & Older People, Councillor Chris Best, who stressed that all the proposals were for consultation in the forthcoming three month period.

The Mayor was addressed by Nick O'Shea who described himself as a patron of Lewisham Mencap and a Volunteer at the Tuesday Club. Mr O'Shea strongly opposed the proposals which he believed would have an adverse impact on service users.

Helen Bashford, a mother with a daughter who was a Day Centre user, next addressed the Mayor. She praised the current provision and said she believed the current proposals were not realistic and implementation should be delayed pending further consideration.

In response, Councillor Best advised the Mayor that the anxieties which had been expressed were understandable but that the three month consultation period which was being proposed would allow ample time for the Council to engage service users and their representatives in meaningful conversations and meetings about the way forward.

In concluding, the Mayor explained the budget context and the necessity to look at remodelling service provision. He feared that doing nothing would only lead to future changes taking place anyway but in a much less considered fashion given the financial pressures facing the authority. He promised the three month consultation would allow for genuine dialogue and no changes would be made without a further report being considered at Mayor & Cabinet.

Having considered an officer report, and presentations by the Cabinet Member for Health, Well-Being & Older People, Councillor Chris Best, Mr Nick O'Shea, a patron of Lewisham Mencap and Helen Bashford, the mother of a service user, the Mayor, for the reasons set out in the report:

RESOLVED that:

(i) officers proceed to a formal three month consultation with service users and their families on the following proposals for the future modelling for day services and transport, and their associated savings as follows;

(ii) the Intensive Support (ISR) service for people with profound learning

disabilities and complex needs currently at Leemore moves to the Ladywell Centre;

(iii) a drop in service be commissioned for those adults with a learning disability who need only 'light touch' support.

(iv) the Council's directly provided day service offer be consolidated and the Council be the direct service providers only for those people with the most complex needs, specifically the specialist Dementia Service, the Challenging Needs Service (CNS) and the Intensive Support Service (ISR) and additionally the in-house service retains management of its sheltered employment schemes;

(v) the older adults service users (i.e. the non-Dementia service) offer be consolidated with the existing providers of older adult day services in the borough; Housing 21 at Cinnamon Court, Cedar Court and Hestia at the Calabash Centre;

(vi) all other service users, primarily adults with a learning disability and adults with physical disability/ long term conditions be allocated a personal budget/ direct payment and supported to plan their own service using those budgets either individually or through pooling the budgets with others;

(vii) the Ladywell Centre be identified as the core complex needs centre for adults with disabilities and be recognised as the main office base for the in-house provision;

(viii) the buildings known as Mulberry, Leemore and Naborhood remain open but are developed as community hubs rather than specific day centres. The buildings will thus become multi use centres for service delivery with an established presence for disability services, but will also be used by third sector providers who help deliver the Council's community inclusion and neighbourhood agendas and this proposal be developed in partnership with the Culture and Community Development Team's as part of the review of grant aided organisations and assets;

(ix) the buildings be considered as part of the Community Services Asset portfolio and rental and running costs are not recovered as income but be offset by savings or capital receipts currently related to other assets which can be rationalised;

(x) the use of in-house Door2Door transport be reviewed, with some routes for the most complex service users being retained, but otherwise, where an individual meets the eligibility threshold for Council funded transport, they are offered a direct payment to arrange their own transport separately or with others;

(xi) the discretionary transport service to the evening clubs be withdrawn, with some discretionary transitional support put in place where there may be significant detriment for current passengers who live on their own or at home with their families and Officers work with Lewisham Mencap, as well as

affected users and their families, to explore Alternatives;

(xii) the change to transport arrangements for the evening clubs does not require formal consultation as these are not commissioned services and people are not referred to them as part of their care plan. However, officers as a matter of good practice consult with affected users, their families and Lewisham Mencap as a separate process within the same timescale; and

(xiii) prior to agreement to consult, note be taken that officers will have held a number of briefing and information sessions on the proposals with affected service users and their families to ensure that the proposals are clear and to begin a Frequently Asked Questions sheet to ensure further clarity through the formal consultation process.

### **137. 2015 16 Revenue Budget Savings**

The report was presented by the Cabinet Member for Resources, Councillor Kevin Bonavia, who lamented the downward spiral of public finances since 2010, saying Local Government had been hardest hit by the Coalition Government's austerity approach to the global financial crisis.

Councillor Alan Hall, Chair of the Overview & Scrutiny Committee, added he believed this was a sad day and as a lifelong borough resident he particularly noticed the impact of the Coalition's continued cuts programme. He presented to the Mayor the written submissions of the Select Committees, as co-ordinated by Public Accounts Select Committee, and the full findings of two scrutiny task and finish groups on the Youth Service and Public Health. He also welcomed compilation of a briefing note on the Blue Badge scheme which had been requested by the Public Accounts Select Committee for consideration at Mayor & Cabinet.

The Mayor was addressed by Ms Toyin Adeyinka regarding Saving A8. She said she was a volunteer in a baby café and was part of a group that had collected 800 signatures in an effort to save their breast feeding programme and peer support group. The Mayor sought clarification on the proposed saving from the Director of Public Health and the Executive Director for Children and Young People who explained the reduction from £77,000pa to £49,000pa would still allow the programme to achieve UNICEF accreditation. The Mayor said he believed this was a fantastic project only made possible by wonderful volunteers and he felt reassured that it would still be a success story after remodelling. He asked Councillors Best and Millbank to oversee the project and report back to him only if something went wrong.

Councillor Barnham submitted a written paper and spoke on saving Q1. He acknowledged that the new structure of 4 area based children centres rather than 17 centres did not involve widespread closures, as all but one of the existing centres would still be operational and offering services, albeit to a reduced target audience. The Mayor pointed out the process was ongoing and gave a commitment to consultation on all the individual centres.

With regard to saving H1, the Mayor received advice from the Cabinet member for the Public Realm, Councillor Rachel Onikosi and he listened to a presentation from Mr John Collins of UNISON. Mr Collins explained he had been asked to speak by officers affected by the reorganisation who believed the proposals were flawed and represented a clear risk as the authority ran the risk of not meeting numerous statutory responsibilities. The Mayor responded by agreeing to defer the saving for one week to allow further discussion to take place with the trade unions.

The Mayor considered each saving individually, taking advice from the relevant Cabinet Member as appropriate and reached the conclusions shown in the recommendations below.

Having considered an officer report, and presentations by the Chair of Overview & Scrutiny, Councillor Alan Hall, the Cabinet Member for Resources, Councillor Kevin Bonavia, Councillor Barnham in respect of saving Q1, Mr John Collins of Unison in respect of saving H1 and Ms Toyin Adeyinka in respect of saving A8, the Mayor, for the reasons described and as set out in the report:

RESOLVED that:

subject to proper process and consultation where appropriate and if required:

(i) the decision made on 12 November 2014 to endorse previously agreed savings of £1.480m for 2015/16 be noted

;

(ii) the decision made on the 12 November 2014 to delegate to officers, subject to proper and consultation where appropriate, the implementation of £11.833m of savings, of which £8.558m are for 2015/16 be noted;

(iii) the comments of the Public Accounts Select Committee of the 5 February 2015, which incorporates the views of the respective Select Committees be received;

(iv) the following savings be approved:

- A1: Adult Care cost effective care packages £2,480k – App 2
- A2: Learning Disability care packages £1,500k – App 3
- A3: Reconfiguring sensory services provision £150k – App 4
- A6: Public Health part I £1,500k – App 6
- A8: Public Health part II £1,154k – App 6
- B1: Reduction and remodelling of supporting people support £2,523k – App 8
- E1: Reorganisation of Regeneration and Asset Management £600k – App 9
- K2: YOS reorganisation, intervention changes, contract reduction £200k – App 12
- L1: Review of main voluntary & community grants programme £1,500k – App 13
- L3: Community Services development £240k – App 14
- L4: Broadway theatre £180k – App 15
- N1: Reduction in maintenance of some parks, highways enclosures &

- management – *management element only to be taken* £108k – App 16
- N2: Reduction in street cleansing frequency & management. Costs £400k – App 17
  - Q1: Improve triage for Childrens' social care services and re-design Children Centre early intervention offer £5,515k (£3,208 CYP budget and £2,307 LFP saving) – App 19 – but there will be consultation on individual Children Centres which will be reported back to Mayor & Cabinet.
  - Q2: Reduction in Youth Service provision option 1 £1,406k – App 20 – agreed in principle and officers asked to bring a report back dealing with options for the future of youth service provision to include a detailed appraisal of the establishment of an employee led mutual.

(v) the following saving be rejected:

- O1: End of discretionary freedom pass scheme £200k – App 18

(vi) the following saving be reconsidered at the meeting to be held on February 18 2015:

- H1: Restructuring of enforcement and regulatory services £800k – App 11

(vii) the following savings return to Mayor & Cabinet for decision following consultation:

- A1: Meals on Wheels Contract £200k – App 2
- A4: Remodelling building based day services £1,300k – App 5 (*NB see Decision 2 above: Remodelling Lewisham Council's Day Service Offer and Associated Transport including Evening Club Provision*)
- A9: Review of services to support people to live at home £250k – App 7
- N1: Reduction in maintenance of some parks, highways enclosures & management – non management elements £232k – App 16

(viii) the following saving be delegated to Officers for decision following consultation:

- G1: Charging a fee for administering the Blue Badge scheme £24k – App 10

### **138. 2015 16 Budget Report**

Having considered an officer report, and a presentation by the Cabinet Member for Resources, Councillor Kevin Bonavia, the Mayor, for the reasons set out in the report:

RESOLVED that:

(i) the comments of the Public Accounts Select Committee of 5 February 2015, which incorporate the views of the respective select committees on the revenue budget savings proposals for 2015/16 be received;

(ii) having considered the views of those consulted on the budget, and having been informed of the outcome of consultation with business ratepayers, and subject to proper process and consultation, as required, the Mayor agreed that:

## *Capital Programme*

(iii) the 2014/15 Quarter 3 Capital Programme monitoring position set out be noted;

(iv) Council be recommended to approve the 2015/16 to 2018/19 Capital Programme of £424.3m, there are two new proposed major capital projects for 2015/16 and it includes an allocation of £90,000 of capital to Phoenix Housing in respect of their proposals for developing the Fellowship Inn, as set out in section 5 of this report and attached at Appendices W1 and W2;

## *Housing Revenue Account*

(v) Council be asked to note the consultation report on service charges to tenants' and leaseholders in the Brockley area, presented to area panel members on 11th December 2014,

(vi) Council be asked to note the consultation report on service charges to tenants' and leaseholders and the Lewisham Homes budget strategy presented to area panel members on 15th December 2014;

(vii) Council be recommended to set an increase in dwelling rents of 2.61% (an average of £2.51 per week) – option B as presented in section 6 of the report, in accordance with current Housing Revenue Account financial strategy;

(viii) Council be recommended to set an increase in the hostels accommodation charge by 2.20% (or £1.50 per week), in accordance with the Rent Restructuring formula;

(ix) Council be recommended to approve the following average weekly increases for dwellings for:

service charges to non-Lewisham Homes managed dwellings (Brockley);

- caretaking 2.20% (£0.07)
- grounds 2.20% (£0.04)
- communal lighting 2.20% (£0.01)
- bulk waste collection 2.20% (£0.02)
- window cleaning 0.00% (£0.00)
- tenants' levy No increase

service charges to Lewisham Homes managed dwellings:

- caretaking No increase
- grounds No increase
- window cleaning No increase
- communal lighting 40.70% (£0.35)
- block pest control 5.16% (£0.08)
- waste collection No change
- heating & hot water -18.93% (-£1.87) decrease
- tenants' levy No increase

(x) Council be recommended to approve the following average weekly percentage increases for hostels and shared temporary units for;

- service charges (hostels) – caretaking etc.; 4.08% (£2.77)
- no energy cost increases for heat, light & power; 0.0% (£0.00)
- water charges increase; 5.88% (£0.01)

(xi) Council be recommended to approve an increase in garage rents by Retail Price Inflation (RPI) of 2.3% (£0.20 per week) for Brockley residents and 2.3% (£0.27 per week) for Lewisham Homes residents;

(xii) Council be asked to note that the budgeted expenditure for the Housing Revenue Account (HRA) for 2015/16 is £130.9m;

(xiii) Council be asked to endorse the HRA budget strategy savings proposals in order to achieve a balanced budget in 2015/16,

(xiv) 20 cases of Former Tenants' Arrears be written off totalling £265,843.81;

#### *Dedicated Schools Grant and Pupil Premium*

(xv) Council be recommended, subject to final confirmation of the allocation, that the provisional Dedicated Schools Grant allocation of £275.8m be the Schools' Budget for 2015/16; and the changes to the funding arrangements for High Needs Pupils as set out be approved and the level of pupil premium anticipated for 2015/16 of £18.2m be noted;

#### *General Fund Revenue Budget*

(xvi) Council be asked to note the projected overall variance against the agreed 2014/15 revenue budget as set out and that any year-end overspend will be met from reserves;

(xvii) Council be asked to endorse the previously approved revenue budget savings of £1.48m for 2015/16 and delegated budget savings proposals as per the Mayor and Cabinet meeting of the 12 November 2014, as set out in section 8 and summarised in Appendix Y1;

(xviii) notes that the revenue budget savings presented at this meeting under a separate report and as summarised in Appendices Y1 and Y2 will be used to balance the budget;

(xix) Council be asked to agree the transfer of £5.0m in 2015/16 from the New Homes Bonus reserve to the General Fund for one year to meet funding shortfalls and that the position be reviewed again for 2016/17;

(xx) the use of £5.4m reserves to fill the budget gap in 2015/16 be approved;

(xxi) Council be recommended to agree to create a fund in respect of quantified revenue budget pressures in the sum of £4.3m in 2015/16, allowing the Executive Director for Resources & Regeneration to hold these resources corporately until such time that these pressures emerge during the year, and authorises the Executive Director for Resources and Regeneration to allocate these funds to meet pressures when satisfied that those pressures cannot be

contained within the Directorates' cash limits;

(xxii) Council be recommended to agree to create a fund in respect of as yet un-quantified revenue budget risks in the sum of £3.2m in 2015/16, allowing the Executive Director for Resources & Regeneration to hold these resources corporately in case these pressures emerge during the year, and authorises the Executive Director for Resources and Regeneration to allocate these funds to meet such pressures when satisfied that those pressures cannot be contained within the Directorates' cash limits;

(xxiii) Council be recommended to agree that a General Fund Budget Requirement of £245.5m for 2015/16 be approved, based on a 0% increase in Lewisham's Council Tax element and the 1% Council Tax freeze grant of £1.0m being accepted. This will result in a Band D equivalent Council Tax level of £1,060.35 for Lewisham's services and £1,355.35 overall. This represents an overall decrease in Council Tax for 2014/15 of 0.3% and is subject to the GLA precept for 2014/15 being reduced by 1.3% from its existing 2014/15 level, in line with the GLA's draft proposal;

(xxiv) the Council Tax Ready Reckoner which for illustrative purposes sets out the Band D equivalent Council Tax at various levels of increase be noted;

(xxv) the Executive Director for Resources & Regeneration be asked to issue cash limits to all Directorates once the 2015/16 Revenue Budget is agreed;

(xxvi) Council be asked to receive the draft Chief Financial Officer's Section 25 Statement,

(xxvii) the draft statutory calculations for 2015/16 be approved;

(xxviii) the prospects for the revenue budget for 2016/17 and future years as set out be noted:

(xxix) officers continue to develop firm proposals as part of the Lewisham Future Programme to help meet the forecast budget shortfalls in 2015/16 and for future years;

#### *Other Grants (within the General Fund)*

(xxx) the adjustments to and impact of various specific grants for 2015/16 on the General Fund as set out be noted;

#### *Treasury Management Strategy*

(xxxii) Council be recommended to approve the prudential indicators and treasury limits, as set out;

(xxxiii) Council be recommended to approve the 2015/16 treasury strategy, including the investment strategy and the credit worthiness policy, as set out;

(xxxiiii) Council be recommended to agree to delegate to the Executive Director for Resources & Regeneration authority during 2015/16 to make

amendments to borrowing and investment strategies provided there is no change to the Council's authorised limit for borrowing;

(xxxiv) Council be recommended to agree the Minimum Revenue Provision (MRP) policy as set out;

(xxxv) Council be recommended to agree the credit and counterparty risk management criteria; the proposed countries for investment, and that to formally delegate responsibility for managing transactions with those institutions which meet the criteria to the Executive Director for Resources & Regeneration;

(xxxvi) Council be recommended to agree to decrease the maximum deposit limits with the part nationalised banks from £65m to £40m for each of Lloyds Banking Group and Royal Bank of Scotland (RBS) Group;

(xxxvii) the one incidence of a breach of the investment policy in November 2014 when an investment with an approved counter party was made for 12 months which should have been limited to 6 months be noted; and

(xxxviii) the development of the Municipal Bond Agency be noted.

### **139. Reconfiguring Healthy Eating and Physical Activity**

Having considered an officer report, and a presentation by the Cabinet Member for Health, Well-Being & Older People, Councillor Chris Best, the Cabinet, in the absence of the Mayor, for the reasons set out in the report:

RESOLVED that

(i) the plan to reconfigure the delivery of community based healthy eating and physical activity initiatives be approved; and

(ii) the proposal to tender the delivery of borough-wide healthy eating and physical activity initiatives to a suitable provider be approved.

### **140. Greyhound Public House Update**

The report was presented by the Deputy Mayor, Councillor Alan Smith, who was pleased to report progress was being made. Ward Councillors, Chris Best and Rachel Onikosi both thanked him for his update and looked forward to seeing a rebuilt pub.

The Mayor was also addressed by Mr Barry Milton who acknowledged slow progress was being made and urged the Council to continue to put pressure on the developer. In response the Mayor said he expected another report at an early date detailing progress.

Having considered an officer report, and a presentation by the Deputy Mayor,

Councillor Alan Smith the Mayor:

RESOLVED that the report be noted and that a further report be prepared by the end of March 2015 to update progress.

**141. Blackheath Events Policy**

Having considered an officer report, and a presentation by the Cabinet Member for the Public Realm, Councillor Rachel Onikosi, the Mayor, for the reasons set out in the report:

RESOLVED that the amended Blackheath Events Policy be adopted.

**142. Phoenix Community Housing Board**

Having considered an officer report, and a presentation by the Cabinet Member for Housing, Councillor Damien Egan, the Mayor, for the reasons set out in the report:

RESOLVED that:

(i) the background and proposed changes to the Board of Phoenix Community Housing, be noted; and

(ii) the proposed changes as set out be approved.

**143. Exclusion of Press and Public**

RESOLVED that in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012 and under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs [3, 4 and 5] of Part 1 of Schedule 12(A) of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

13. Housing Property Acquisition Lee Green

**144. Housing Property Acquisition Lee Green**

Having considered a confidential officer report, and a presentation by the Cabinet Member for Housing, Councillor Damien Egan, the Mayor, for the reasons set out in the report:

RESOLVED that:

(i) the proposed purchase by the Council of the freehold interest in the subject property for a stipulated total purchase price together with the other costs

referred to be approved; and

(ii) authority be delegated to the Executive Director for Resources and Regeneration, in consultation with the Head of Law, to negotiate and agree the final terms of the purchase of the subject property.

The meeting ended at 9.19pm.